

ASSEMBLY BILL

No. 1013

**Introduced by Committee on Higher Education (Block (Chair),
Achadjian, Brownley, Fong, Galgiani, Miller, and Portantino)**

February 18, 2011

An act to amend Sections 94904 and 94920 of the Education Code, relating to private postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 1013, as introduced, Committee on Higher Education. Private postsecondary education.

Existing law establishes the Bureau for Private Postsecondary Education in the Department of Consumer Affairs.

Existing law imposes various requirements upon the private institutions subject to the act in order to ensure minimum standards of instructional quality and institutional stability, including a requirement that an ability-to-benefit student, as defined, must take and pass an independently administered examination from the list of examinations prescribed by the United States Department of Education before executing an enrollment agreement.

This bill would provide that if the United States Department of Education does not have a list of relevant examinations that pertain to the intended occupational training, the bureau may publish its own list of acceptable examinations.

Existing law requires institutions that do not participate in the federal student financial aid programs to refund to a student 100% of the amount paid for institutional charges, less a reasonable deposit or application fee, as specified, if notice of cancellation is made through attendance

at the first class session, or the 7th class day after enrollment, whichever is later.

This bill would reduce the time period during which the notice of cancellation may be made from the 7th class day after enrollment to the 7th day after enrollment.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 94904 of the Education Code is amended
2 to read:

3 94904. (a) Before an ability-to-benefit student may execute
4 an enrollment agreement, the institution shall have the student take
5 an independently administered examination from the list of
6 examinations prescribed by the United States Department of
7 Education pursuant to Section 484(d) of the federal Higher
8 Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.) as it is, from
9 time to time, amended. The student ~~may~~ shall not enroll unless
10 the student achieves a score, as specified by the United States
11 Department of Education, demonstrating that the student may
12 benefit from the education and training being offered.

13 (b) *If the United States Department of Education does not have*
14 *a list of relevant examinations that pertain to the intended*
15 *occupational training, the bureau may publish its own list of*
16 *acceptable examinations.*

17 SEC. 2. Section 94920 of the Education Code is amended to
18 read:

19 94920. An institution that does not participate in the federal
20 student financial aid programs shall do all of the following:

21 (a) The institution shall advise each student that a notice of
22 cancellation shall be in writing, and that a withdrawal may be
23 effectuated by the student's written notice or by the student's
24 conduct, including, but not necessarily limited to, a student's lack
25 of attendance.

26 (b) Institutions shall refund 100 percent of the amount paid for
27 institutional charges, less a reasonable deposit or application fee
28 not to exceed two hundred fifty dollars (\$250), if notice of
29 cancellation is made through attendance at the first class session,
30 or the seventh-class day after enrollment, whichever is later.

1 (c) The bureau may adopt by regulation a different method of
2 calculation for instruction delivered by other means, including,
3 but not necessarily limited to, distance education.

4 (d) The institution shall have a refund policy for the return of
5 unearned institutional charges if the student cancels an enrollment
6 agreement or withdraws during a period of attendance. The refund
7 policy for students who have completed 60 percent or less of the
8 period of attendance shall be a pro rata refund.

9 (e) The institution shall pay or credit refunds within 45 days of
10 a student's cancellation or withdrawal.

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